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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

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3 June 1987

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer for NESA

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SUBJECT: Warning and Forecast Report for Near East and South Asia

The May NESA Warning Meeting addressed two topics.

1. Iran-Iraq-Syria: The Kurdish Threat

Discussion

The Kurdish issue has been a thorn in the side of Iraq and Turkey for years, but the Iran/Iraq war, stimulated by the increased cooperation between Kurdish groups and Iran has increased the importance of the threat. The key question is whether the Kurdish threat could become serious enough to have a significant effect on the war. CIA led the discussion with an overview of the problem; State INR and DIA responded.

In the last few months there has been a sharp increase in Iranian support for Kurdish groups, and the "Karbala 10" offensive in northern Iraq has raised the question of whether the Iranians might focus more of their attention in this sector. These developments must be balanced by other facts, however:

- Minor gains of territory by the Iranians in the north are not as strategically important as similar gains in the southern or central regions and cause much less concern in Baghdad.
- The Kurds' potential effectiveness is limited by their deep political differences. Beyond an independent Kurdistan, Kurdish political goals are nebulous and differ from group to group, often leading to open conflict. We see little prospect for a comprehensive unification of effort, although more tactical cooperation is possible.

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The immediate goal of the Kurds has been to limit government control of territory in the region. And, because of their preoccupation with the more pressing requirements of the war with Iran, the Iraqis have shown a willingness to cede control of countryside and roads, especially at night, and have concentrated their effort on defending the few economically significant targets in the north such as the pipeline into Turkey and the oil facilities at Kirkuk. Iraq has relied more on the stick than the carrot. The regime has shown a willingness to ruthlessly suppress the Kurdish population, to include large resettlements. Their heavy-handedness (recently they have even resorted to using chemical weapons to clear areas) has probably prompted some backlash and increased Kurdish resentment of Baghdad, but the Iraqis are not likely to calculate that a "hearts-and-minds" campaign offers much promise and that it would require even more resources.

Forecast and Warning

We expect Iranian support for Kurdish groups to increase and that this will cause rising concern--but not panic--in Baghdad. Absent a major setback in the south, we believe Baghdad can contain the problem. The question for analysts is not so much whether the Kurdish problem, in itself, threatens Iraq, but whether it might force Baghdad to divert more resources from its limited pool of uncommitted military units and thereby decrease Iraqi ability to stop Iranian offensives. There was also discussion of whether increased cooperation with Iran might change the motivations and capabilities of Kurdish groups to conduct terrorist operations in Europe where they have a significant presence--especially in the FRG.

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2. Threats to US Interests in the Gulf

Because of the intensive attention being given to the problem, the following description of Community views of the situation in the Gulf is based not only on the Warning Meeting of 21 May, but a variety of subsequent discussions and a teleconference with community representatives.

What is the Immediate Threat?

In analyzing the threat to shipping, the Community distinguishes among three categories of vessels: unescorted US-flagged ships, escorted ships, and US combatants.

- There is universal agreement that the presence of a US flag on an unescorted vessel will not, in itself, deter the Iranians from attacking. Community views of the likelihood of an Iranian attack on such a vessel range from possible to likely.
- There is general agreement that the Iranians are not likely to immediately seek a confrontation with a US combatant.
- There is a spectrum of opinion on the likelihood of an attack on an escorted ship. Most agencies--CIA, DIA, Air Force, NSA, Army, Navy, and the NIO--believe that while the Iranians are not likely to "go through" a US combatant to get to a tanker, they will seek ways to demonstrate that they are not intimidated by the presence of the US flag or even a warship. Thus, if they could create a tactical situation in which they could successfully attack or otherwise damage (e.g., with a mine) a reflagged Kuwaiti ship, they are likely to do so. The Department of State INR believes that intentional attacks on escorted ships are not likely, arguing that in the past Iran has carefully avoided challenges that would cause greater superpower involvement in the Gulf. INR also believes Iran would be wary of risking its scarce military resources.

Should the Iranians decide to attack a US flagged tanker, they would likely use small patrol boats as a warning. Iran's intent would be to make the point that the US cannot protect ships. For example, Speaker Rafsanjani has referred to a "martyr in a helicopter" as a weapon against the US. Iran could use its Seakiller missiles, naval guns, or missiles fired from aircraft and helicopters. The Silkworm antiship missile is the most formidable potential threat to US shipping, but is least likely to be used. The community does not believe the Iranians would use Silkworms against US naval vessels without a further ratcheting up of tensions.

In seeking ways to pressure the Gulf Arabs, the Iranians are, of course, not restricted to attacks on shipping. There is general agreement that the

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Iranians will try to offset any loss of leverage on Kuwait through ship attacks by increasing the pressure elsewhere--such as terrorism inside Kuwait or sabotage of Kuwaiti oil facilities.

Unless the Iraqis change their operating procedures, the Community believes there is an increased risk of a US shutdown of an Iraqi aircraft. There remains the risk of an inadvertent attack on a US ship.

What are the Broader Implications for US Interests in the Region?

There is a range of views on how the Iranians assess the effect on their strategic interests of the US decision to protect Kuwaiti tankers. The Iranians have thus far avoided actions that might further "internationalize" the conflict. Some agencies believe that this objective is still guiding Iranian behavior and Tehran is therefore likely to avoid any direct confrontation with the United States. This view is particularly associated with State INR. CIA and the NIO are concerned that the situation is changing and that--possibly within in the next few weeks--the Iranians are increasingly likely to confront the US in an effort to get the US out. NSA, INR, and the services believe the Iranians may well decide to confront the US in the next few weeks, but that they have not yet made the decision to do so. Most analysts believe the Iranians will try to influence the US policy debate by taking actions that raise the specter of a costly and open-ended US commitment in the Gulf.

What would it take to convince Iran to back down? The community believes that while Iran may try to avoid a direct confrontation, once in one, they will not be easily intimidated. Even the threat of a major US strike on Iranian shore facilities may not be sufficient, given the massive destruction already experienced by Iran in its war with Iraq and the vital Iranian interests at stake.

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The following components attended the NIO/NESA May Warning Meeting:

External

USAF/INAM
ONI
DIA/DIO
DIA/DE-4
DIA/JSI-5
DIA/DB-8
DIA/OA-6
Army ODCSINT
State INR/NESA
NSA/G6
NSA/G9
USAITAC
OSD

Internal

NESA/PG
FBIS/NEAD/SA
CRES/IRC
DI/PPD/LDA
DO/NE [REDACTED]
DI/NESA/AI [REDACTED]
NPIC/IEG [REDACTED]
CTC/OAG/TAB
DO/NC/PM
OIR/DSD/DB
DO/Iran [REDACTED]
DI/SOVA [REDACTED]
DI/NESA

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